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BETHESDA MC 20814

TWO DOLLARS

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2/19/88

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V BUSINESS

FEB/26

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bird c Hits Highs

Although there's no sure way of gauging the level of "snowbird" activity in the Southern locales to which retired RVers flock, tourist traffic in some locations appears to be breaking records this year.

For example, Florida's tourist traffic should reach new highs in 1988, although it probably will not be a record increase. "We might have the most tourists ever," said Chip Coggins, a statistician for the Florida Department of Commerce, Division of Tourism, who is unable to statistically separate the number of RV/camping tourists from those who stay in hotels and condos. "But I don't think we're going to have the largest [illegible] cent of increase this year, perhaps not as much as 1980 was 12% ahead of 1985."

All this is good news to the spectrum of RV sales and service firms catering to migrating Northerners. "The parks were filling up much earlier this year," reported Terry Varvil, executive director of the Florida RV Trade Association. "We saw them filling up in November and December. And with Easter being a couple weeks later this year (that's usually the time that they leave), that means an extra-long season this year. So we're anticipating that sales and use of the campgrounds will be up again this year."

In Arizona, the situation is

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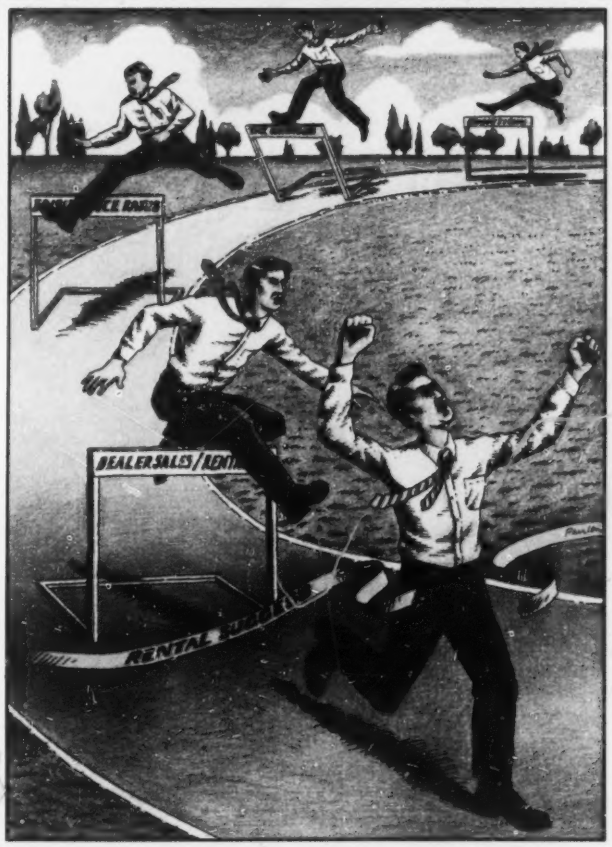

RENTALS FACE NEW HURDLES: Tax changes, insurance rates and competition are squeezing RV-rental returns, yet dealers agree profitability can be achieved. See page 22.

U-Haul Auctions Off Units, Stresses Rental Commitment

Officials of Phoenix, Ariz.-based U-Haul International have announced an agreement with Anglo American Auto Auctions to dispose of a portion of the company's motorhome fleet.

According to Al Ladensack, public information director for U-Haul, the agreement with Anglo American represents a first for the company, which in the past has sold older units through its retail rental outlets on a first-come-first-serve basis.

Anglo will now sell the motorhomes through dealer-only and special public-sales auctions at any one of 20 locations throughout the country. Dealers will receive advance notice of sales through direct-mail announcements from U-Haul, as well as telemarketing and newspaper advertising.

Included in the initial sales agreement are some 1,000 27-foot 1985 Southwind motorhomes, which Ladensack said are expected to be offered at prices ranging from $26,000 to

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Vyquest Makes Major Changes; Chairman Quits

Vyquest Inc. Chairman Brian D. Vesley, 44, the New Jersey attorney who had spearheaded the Clifton, N.J., firm since 1983, resigned on Jan. 14 amid a flurry of corporate changes.

Vyquest's management and organizational shifts have all occurred since Donald A. Sayles, 62, assumed the reins as president and chief executive officer from Vesley in November 1987. Sayles also will now serve as acting chairman of the multidivisional RV maker until the annual board meeting in late March.

Vyquest, which is the corporate umbrella for Honey RVs, Yellowstone Inc., Goshen Coach, Beach-Craft Motor Homes Corp., Van Express Inc., Urethane Systems & Equipment Inc. and WOS Data Systems Inc., also announced these changes:

- Company officials have indicated that Vyquest this spring will move its six-employee corporate offices to northern Indiana, closer to its operating di-

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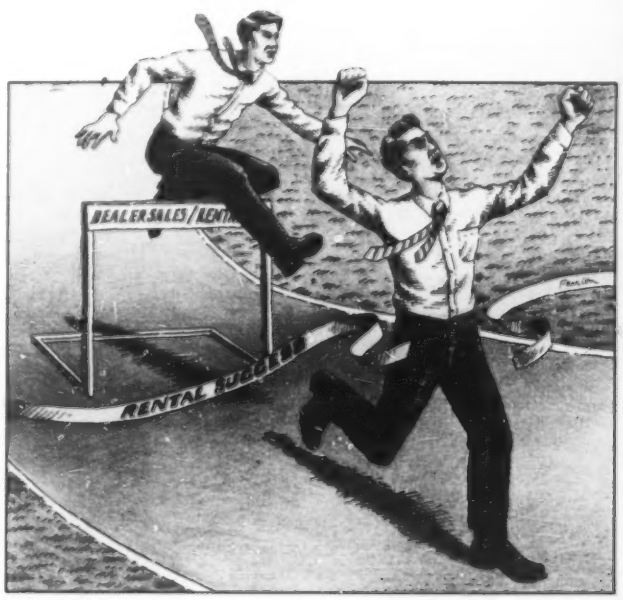

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COVER ILLUSTRATION: DOUG PAULIN

DAB PERSPECTIVE

'87 SALES END ON 'DOWN' NOTE

GAYLORD MAXWELL

After a rousing start in the early months of '87, RV retail sales, which had tapered off toward the latter part of the summer and begun a slight decline, ended the year with a pronounced "thud" in December. That's the report of RVB's Dealer Advisory Board (DAB) when comparing December 1987 with December 1986.

In sales volume and units (both new and used), December numbers were down from the same month of the previous year. Sales volume was off 29%; new units dropped 19%, and used dipped 16%. Only truck campers managed to stay "plus" for the month (by one unit). Big dealers were hardest hit with all five of those that normally record more than $1 million a month in sales down from the previous December.

For the year-to-date, two of the five RV types were in the minus column for new units, and two of the five used-RV types were also in the red.

However, all is not as grim as it might appear on the surface. December of 1986 was unusual in that it was the last chance for buyers to make purchases on which the sales taxes would be deductible from income taxes. Many dealers played up that angle—particularly large motorhome dealerships—and recorded unusually high sales in December 1986. Therefore, the drop in sales for December 1987 wasn't as significant as it would have been.

Year-to-date DAB figures show that 1986 and '87 were very similar in terms of RV sales. Travel-trailer numbers for '87 were only six units higher than the total in '86. Both camping trailers and fifth-wheels fell by a few units. Motorhomes scored a small (4%) gain.

Grosses generally weren't too bad in December. A surprising number of the DAB members marked the "good" column—especially on used units. However, most had typical poor December bottom lines.

The big question that we were left with at the end of the year was: Is the slightly downward trend one that will continue well into 1988? My prediction: The smaller and average-size dealer will be hard-pressed to match his 1987 numbers.

Motorhomes

Five big dealerships accounted for 50 of the 57-unit drop in sales for December '87 compared with December '86. Generally, they agreed that December '86 was the "fluke." All five had annual sales-volume figures that were almost identical for 1986 and '87. Most of the smaller motorhome dealerships ended up with unit sales slightly ahead of the previous year. Used sales as a whole were off the pace of 1986, and dealer experience was mixed. Some dealers were well ahead of the previous year, but others were well behind. Profits were rated to be fair to good.

The prediction for '88 is that it will be about the same as '87.

Travel Trailers

1987 was a tough year for travel-trailer dealers, and December was different only in that it was tougher than usual. Most DAB members who stock this RV type were down from the previous December. However, collectively, they managed to end up the year with a half-dozen units more than in '86. Very few trailer dealers get big unit numbers anymore. Used-unit sales numbers were only slightly different from those of new for the year. Most DAB members rated profits as good, but several rated them as poor.

My prediction: A slight sales decrease in '88.

Truck Campers

Campers were the winners in terms of percentage of sales increase in both new and used units for the year. Profits were rated excellent by the three dealers who reported new-unit sales in December.

I predict that sales will be up by about 10%-12% in '88.

Camping Trailers

New-unit sales were so low in December '87 that the percentage of decrease in sales from December '86 was rather meaningless. The final figures for the year were very close to that of '86 for both new and used units.

The prediction for '88: Sales should be about the same as in '87, possibly down a bit.

Fifth-wheels

New fiver sales definitely "thudded" in December, but, year-to-date, they almost matched '86. Used sales have been relatively brisk, with the year-to-date increase being the best for any category.

I predict that sales will be down slightly for '88. Δ

	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	DEC. 1987	DEC. 1986	% CHANGE	1987	1986	% CHANGE	DEC. 1987	DEC. 1986	% CHANGE	1987	1986	% CHANGE
MOTORHOMES	80	137	–42	1,564	1,499	+ 4	76	100	–24	1,484	1,467	+ 4
TRAVEL TRAILERS	50	79	–37	1,187	1,181	+ 1	54	66	–18	1,130	1,135	– 1
TRUCK CAMPERS	24	23	+ 4	254	228	+11	11	8	+38	129	115	+12
CAMPING TRAILERS	4	12	–67	1,045	1,066	– 2	7	5	+40	290	293	– 1
FIFTH-WHEELS	17	33	–48	300	303	– 1	9	9	same	194	163	+19

	DEC. 1987	DEC. 1986	% CHANGE	1987	1986	% CHANGE
SALES VOLUME	$7,395,058	$10,477,069	–29	$132,554,234	$126,312,133	+5
TOTAL UNIT SALES	382	472	–19	7,557	7,450	+1
NEW-UNIT SALES	175	284	–38	4,350	4,277	+2
USED-UNIT SALES	157	188	–16	3,227	3,173	+2

The "DAB Perspective" is a compilation of data provided by *RV Business*' Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Annette Autry-Miller,** Fayetteville, N.C.; **Robert Azevedo,** Sunnyvale, Calif.; **Jack Cole,** North Hollywood, Calif.; **Dick Dasson,** Victor, N.Y.; **Bill De Groot,** Junction City, Ore.; **Crosby Forrest,** Newport News, Va.; **Danny Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Duttie Helgason,** Seattle, Wash.; **Newton Kindlund,** Orlando, Fla.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Jack Moran,** Warwick, R.I.; **Mike Peay,** Albuquerque, N.M.; **Edward Peterson,** Lafayette, Ind.; **William Pfer,** Warren, Mich.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sissmore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Larry Washburn,** Lakewood, Colo.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.